

The American policy of unilateral economic isolation was doomed at its inception because many members of the Organization of American States refused to cooperate. Any possibility of imminent internal Cuban collapse has now been eased by Russian economic aid.

Rebellion within a police state, heavily armed with Soviet weapons, is virtually impossible, as the Hungarians learned so violently.

Who would suggest that Castro could be wooed back to the hemisphere fold of free nations as a reformed neighbor?

MY POSITION

The responsibility for the administration of foreign affairs is vested by the Constitution in the President. Congress cannot, therefore, initiate the negotiations required to meet this deadly challenge to the sovereignty of the nations of this hemisphere. Numerous Members of Congress have warned of the danger of playing down the threat which Soviet intervention in Cuba poses. The failure of the "Bay of Pigs" invasion has apparently cooled administration enthusiasm for sponsoring a positive policy in this case.

These four positive successive steps could be taken:

First, The President should call upon the Organization of American States to condemn Cuba for its military buildup. At the same time the member countries should assure Cuba that they will not be parties to an invasion of Cuba if that country's militarizing ceases and if it abstains from subversive activities in the Americas.

Second, The President should call upon the members of NATO to discontinue the use of their ships for transporting military supplies and personnel into this hemisphere.

Third, The President should inform the Soviet Union that further shipment of military supplies to Cuba will be considered an aggressive act in violation of the Monroe Doctrine and ships carrying such supplies will be stopped and turned back.

Fourth, The President should call upon the Organization of American States to notify the Castro regime that unless free elections under OAS supervision are conducted in Cuba within a reasonable time, the threat of the Communist dictatorship to the welfare of the people of Cuba and to the security of this hemisphere will require a full blockade of the island.

These are hard steps with recognized dangers. Our past is dotted with the errors resulting from timidity and indecision which handed the Communists priceless victories—the Rhine, the 38th parallel, the Berlin wall. We will not be secure if Cuba is added to this list.

REVENUE ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes.

Mr. WILLIAMS of Delaware. Mr. President, I yield 5 minutes of my time to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, I shall vote against the tax bill. This has been a very difficult decision for me to make, because there are some good provisions in the bill which I would like to see put into the law, and there are some provisions in the bill of which I do not approve. In my opinion, it is a marginal bill, and for that reason it is a very difficult decision to determine how to vote on it.

The sections I would like to see become law, and which I hope will become law in any tax revision that is submitted at the first of the year by the President, concern:

First, revision of existing law with respect to the bad debt reserve provisions applied to mutual savings banks, domestic building and loan associations, and certain cooperative banks.

Second, correction of an imbalance which exists in the treatment of mutual fire and casualty insurance companies as compared to stock fire and casualty insurance companies.

Third, revision of the tax treatment of cooperatives and patrons.

Fourth, elimination of some tax havens abroad and lobbying abuses.

These are all provisions which would be helpful, and I would like to see them included in a tax revision bill.

Contrasted with these favorable provisions, is the question of the provision for investment credit. I voted against this section when it came before the Senate as an amendment, which, as I understand, would result in an annual revenue loss of approximately \$1,300 million. This provision is not fair, as I see it, because it will help some industries, but not others which are in the same category and in the same position.

I am in favor of a proper allowance for depreciation that will not be limited to a specific period of time. If industries have a proper allowance for depreciation, they will have a greater opportunity for improving their plants.

In addition, as a member of the Appropriations Committee, I have watched the appropriation bills this year. I cannot see that we have been able to effect any substantial decrease in appropriations to any of the departments; certainly we have not been able to do so up to the present time. We know that with the problems we have in relation to our national security the Defense Department appropriations are going to increase over the next few years, rather than decrease.

So this issue involves the question of constant Federal deficits and a constant drain on our gold supply.

These are very fundamental reasons for opposing the bill. Although, as I have said, it does contain some good provisions, it is still a marginal bill. If the Senate passes the bill, it will then go into conference. There are more provisions in the House version of the bill that I would oppose. The Senate conferees will be in a position of having to yield something to the House conferees, which may result in the version of the

bill containing certain provisions which I might strongly oppose.

We are also told there will be a new tax bill submitted for our consideration next year.

The bill, as amended by the Senate, would decrease governmental revenues on a full-year basis by \$585 million, and I believe perhaps even more.

For all the reasons I have stated, I shall vote against passage of the bill. As I say, I do it with considerable hesitation because of the good features in the bill, and because we know certain tax provisions should be improved. The overall balance is against the bill, and I shall vote against its passage.

Mr. WILLIAMS of Delaware. Mr. President, I yield 10 minutes to the Senator from Pennsylvania (Mr. SCOTT).

INFORMING THE AMERICAN PEOPLE ON WHAT IS REALLY HAPPENING IN CUBA

Mr. SCOTT. Mr. President, in his September 5 statement on Cuba, President Kennedy said that the administration would "continue to make information available as fast as it is obtained and properly verified." All Americans, I am sure, received this assurance with much relief. The American people become very restless if facts to which they are entitled, without danger to our security, are not made promptly available to them so that they can understand the policies of their Government. To a certain extent, the assurance by the President of a steady flow of facts will do much to prepare the American people for developments in our foreign policy.

It should be noted that revelations to date with regard to the very serious crisis in Cuba have come on the initiative of the press and of the Congress. Revelations have been made by the press which were not made to the American people by the State Department and which were not the subject of statements by the President. They were revealed by such eminent Members of each body as the distinguished junior Senator from New York (Mr. KEATING), the distinguished Representative from California, Mr. HOSMER, and several others.

Right now, many Americans are worried about published information which has not received verification from the administration. Especially numerous are reported facts of this sort about the Cuban situation. American fears could be alleviated if President Kennedy would fill the information vacuum concerning Cuba by "obtaining and properly verifying" the following news reports:

First, Is the international brigade of Communists in Cuba now numbering in the thirty thousands? Is this brigade partially composed of 1,500 Ghanaian troops, 900 Red Chinese, 200 Algerians, and numerous Communist contingents from other Latin American countries? Are other troops from Asia and Africa billeted in Cuba? Where are these troops located? Are the Russians in Las Villas Province, the Red Chinese on the Isle of Pines, and the Ghanaians near Cienfuegos and Mariel? How many

other Communist countries have military and technical personnel and in what numbers?

A dispatch by a writer for the London Daily Mail points out, for example, that from 5,000 to 8,000 Russians have arrived so far. The writer states:

A Western ambassador in Havana told me categorically—

I should like for Senators to note this quotation, because if the Western ambassador could talk to a London newspaperman, I ask whether anybody is talking to our State Department about the same things. And if they have been talking to our State Department, why have the American people not been told?

I read what the Western ambassador said:

"I have reported to my government despite all denials, that many of these men are Soviet troops, that they are arriving in increasing numbers, and this is all part of a carefully planned military operation to underwrite the Castro regime."

The writer of the article also says:

Arrivals of the Russians in large numbers is seen by many diplomats in Havana as signaling a final nail into the coffin of the Monroe Doctrine—the statement of U.S. foreign policy which established, over a century ago, the "hands off" attitude to outside powers with ambitions in the American hemisphere.

This much is certain from what I have just seen in Cuba:

No large-scale attempt to overthrow the Castro regime could now be launched by the United States or Cuban exiles without Russian blood being spilled in the process.

I watched the Russians in two separate encampments—after being told they were a "ghost army" existing only in the imagination of Americans.

They looked pretty healthy ghosts to me.

That has to be contrasted with the President's press conference statement of "no troops," and with the incredible letter received by the Senator from New York [Mr. KEATING], on the 30th of August, stating that we have no information that any Soviet bloc troops have landed in Cuba.

However, I wish to congratulate the Senator from New York for hearing from the State Department, in reply to his letter of August 14, by letter of August 30, which is only a 16-day lapse in the reply to a minority Member of this body. I think that establishes a record. I hope that someday we may hear from them in even as brief a period of time as 13 days, or perhaps even 14 days after we address a communication to them.

I hope the President will have an opportunity to obtain the reports and to properly verify them.

Second. Is the Soviet Union setting up a base in Cuba for the tracking of space experiments? I refer to our space experiments off Cape Canaveral.

Third. How many missile sites are in being or are planned for the near future, using Soviet missiles? What is the range of such missiles?

Fourth. Is the Soviet Union supplying Cuban Communists with diversified late-model weapons? Is there a ring of such weapons—heavy artillery and anti-aircraft guns—surrounding the U.S. base at Guantanamo? Are all the Russian

arms shipments payments or base rights given to them by Castro?

Fifth. How large is Castro's army? Does it now contain in the neighborhood of 300,000 troops? Is this the largest army in Latin America?

Sixth. Have Soviet Migs replaced the United States and British warplanes in the Cuban air force? Are there more than 100 jet fighters at 14 bases in Cuba?

Seventh. What is the significance of the arrangements for establishment of regular airline service between Havana and Moscow?

Eighth. Are the Russians handling all the installment of modern military equipment in Cuba? Is the operation of all such equipment in the hands of the Russians also?

Ninth. What is the precise number of Red Russian-owned or leased ships now docking at Cuban ports? Is the increase considerably higher than the 60 ships observed since mid-July?

Mr. President, all the above facts, if verified, clearly point to a violation of the Monroe Doctrine by the Soviet Union. I believe that most, perhaps all, can be verified. The doctrine warns greedy foreign powers that "we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety." Mr. President, Khrushchev has already said that the Monroe Doctrine is dead. Castro has called the doctrine a worthless document. Plainly both these Communists are taking themselves seriously and acting as if the doctrine did not exist.

But the Monroe Doctrine does exist. The big question is whether the United States intends to implement it. On this point, the President of the United States has again assured us that our Government "will not hesitate in meeting its primary obligations, which are to the security of our Nation." But the news items I have gathered do raise the question, "What is the security of our country threatened?" When Communist infiltration of the magnitude now going on in Cuba takes place, many Americans feel that a definite threat already exists. President Kennedy could well allay these fears by acting as quickly as possible in examining, verifying publicly and making available to the American public the whole story of this Red base of operations 90 miles from our shores.

If the facts are true, then a number of steps are open to the United States to deal with the Communist menace. Among the most feasible is to convince the Organization of American States to deal firmly with Castro. Mr. William S. White in his September 5 column has this to say:

We should try one more time to persuade the Organization of American States to act in honesty and honor against the Soviet cancer in the Caribbean.

The Secretary of State has called a conference of Latin American ambassadors. I suggest that we request all of our neighbors in this hemisphere to join with us in convening the Organization of American States, that we take the lead in securing the consent of as

many of them as will join us in a multilateral warning to the Communist States to cease the arming in Cuba. I propose that we set a deadline, after which we should proceed, multilaterally if possible, unilaterally otherwise, to declare foreign military exports to Cuba to be contraband and subject to blockade. If we do so proceed, we can stop Communists from exporting revolutions to this hemisphere. If we do not, we will be forever long be faced with Communist dictatorships elsewhere in Latin America.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WILLIAMS of Delaware. I yield an additional minute to the Senator from Pennsylvania.

Mr. SCOTT. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a report known as an uncensored, eyewitness report entitled "Russians in Cuba Are Real," appearing in the Harrisburg Patriot and the article by Columnist William S. White, to which I previously referred.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

COLUMN BY WILLIAM S. WHITE

WASHINGTON.—The Soviet Union's publicly boasted military penetration of the Western Hemisphere in Castro Cuba is many things, starting with the most violent menace to the New World that the United States has ever tolerated.

It destroys forever the airy assurances of pseudoliberals that revolutionary movements are fine things indeed—so long as they involve leftwingers.

It places upon all those Americans who cheered Fidel Castro on in Cuba long past the point where it was plain that he was transplanting the evil fungus of armed international communism to within 90 miles of our Florida coastline.

It betrays the whole evangelistic theory, parroted with religious fervor, that communism results from capitalistic injustice, et cetera, and will vanish at once, given the spreading of sufficient welfareism among the masses.

Cuba, before Castro, was never half so underprivileged as dozens of other lands which have never sought the lethal embrace of Moscow.

It fully supports what has long been fully obvious—that communism, like Hitlerism before it, is a movement of bandit ferocity and cannot be explained by old-lady minds as simple-minded as the "welfare" which the kiddies and too little free land for the workers and peasants.

It brings into the gravest question the practicality of the vast effort being made by the United States through the Alliance for Progress to cure all the ills of Latin America with economic aid.

Foreign aid is a sound and splendid thing—when it is given to nations willing and able to use it for freedom's strength and openly and unashamedly against communism.

But the bulk of the more powerful Latin American nations, while avidly ready for our economic aid, have repeatedly refused to follow us in any total quarantine of Castro Cuba. It is fashionable to say that we, the United States, should never force our views upon the recipients of our aid.

This is the line even when precisely our views are essential to maintain that freedom from Communist domination, which the Latins so endlessly clamor—especially those who have snuggled up closest to international communism.

Brought into question, too, is the very validity of the Organization of American States. This association of the nations of this hemisphere was created to prevent just the kind of foreign penetration which is and which has been so openly involved in Castro Cuba.

But an effective majority of the OAS has thus far been unwilling to take any fully rational step against Castro Cuba. The most ironic of all excuses is given by the nation closest in geography to us, Mexico. She has said that while she would like to help, she just can't find any precedent for it in international practice. There is a sour taste in this—for Mexico, of course, is famous for its scrupulous respect for both law and justice.

So what is now left to the United States? We should try one more time to persuade the Organization of American States to act in honesty and honor against the Soviet cancer in the Caribbean. Failing this, we should start a new coalition of like-minded organizations from among the minority who are our real friends in Latin America.

Much the same was done in 1949, when we created the North Atlantic Treaty Organization from within the United Nations when it became clear that the U.S. would do nothing about Soviet aggression in Europe. And failing this, the United States should act alone to clear the Soviet military apparatus from Castro Cuba, come what might.

UNCENSORED, EYEWITNESS REPORT—RUSSIANS IN CUBA REAL

(By Keith Morfett)

(Editor's Note—Keith Morfett, roving Latin American correspondent for the London Daily Mail, has visited Cuba eight times during the past 2½ years, most recently last week. He flew to Miami to write the revealing, uncensored story which the Patriot presents here because of its significance in the light of the Soviet buildup in nearby Cuba.)

Thousands of strapping young Russians are moving quietly into tented military encampments close to the outskirts of Havana in a vast Soviet buildup that is causing deep concern among diplomats in the Cuban capital.

From 5,000 to 8,000 Russians have arrived so far.

A Western ambassador in Havana told me categorically:

"I have reported to my government, despite all denials, that many of these men are Soviet troops, that they are arriving in increasing numbers, and this is all part of a carefully planned military operation to overthrow the Castro regime."

Many of the Russians are in their early 20's. All have reached Cuba aboard three Soviet passenger liners.

At the same time, a continuous armada of cargo ships is now stretched out between Russia's Black Sea ports and Cuba, carrying trucks, jeeps, machinery, food, guns, and ground-to-air missiles for Fidel Castro's armed forces.

Arrivals of the Russians in large numbers is seen by many diplomats in Havana as driving a final nail into the coffin of the *Monroe Doctrine*—the statement of U.S. foreign policy which established, over a century ago, the "hands off" attitude to outside powers' with ambitions in the American hemisphere.

This much is certain from what I have just seen in Cuba: A large-scale attempt to overthrow the Castro regime could now be launched by the United States or Cuban exiles without Russian blood being spilled in the process.

I watched the Russians in two separate encampments—after being told they were a "ghost army"—sitting only in the imagination of Americans.

They looked pretty healthy ghosts to me. Hefty, athletic, and looking a lot better fed than their Cuban hosts, they crowded up to barbed-wire fence at the first camp I found near the village of El Cano.

They appeared to be members of the kind of unit usually moved in advance of regular fighting troops to set up camps, establish communications networks and accomplish other related chores.

In the tropical heat they looked unhappy and homesick. They had cloth caps and denim trousers and clustered together for comfort like sheep on the range in a rainstorm.

The contrast between the El Cano crowd and the next lot I looked at was so great that it became clear Cuba's Russians fall into two distinct categories.

The El Cano Russians were recruited into "labor battalions" rather like the British Army's Pioneer Corps. They will dig ditches, lay cables and do all the donkey work.

A few miles away, down a rutted side road the whole countryside was suddenly swarming with Soviets. This time they were obviously on different business. Hundreds of their cars rolled around among military vehicles parked under trees, in fields alongside hedges and between row upon row of khaki-colored tents.

Nearly, anti-aircraft guns in freshly dug pits were manned by Cuban militiamen. Machine guns were mounted at all approach roads into the camp. By the tasks they were doing, checking their equipment on radio trucks, command vehicles and signal equipment, these Russians appeared to be military technicians such as signal, staff, and electronic engineers.

REVENUE ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes.

Mr. MANSFIELD. Mr. President, I yield 7 minutes to the Senator from Oklahoma.

Mr. KERR. Mr. President, H.R. 10650 is important urgent tax legislation. At a time when we are concerned with the rate of growth of our economy, it offers effective stimulus to that growth. At a time when we are concerned with the continuing deficit in our balance of payments, it offers significant help to reducing and eliminating that deficit—and thus reducing the chronic drain on our gold reserves. At a time when we are concerned with the effect of our tax system on our society and our economy, it offers a solution to a number of longstanding tax problems. The provisions of this bill have been voted by the Senate after more than a year of careful consideration in the Congress, after 5 months of hearings and work by the Senate Finance Committee, and after more than a week of debate in this Chamber.

H.R. 10650 is a sound bill. Its provisions correct inequities and remove loopholes which have deflected solution for years—the taxation of business income earned abroad, the taxation of personal income earned by nonresident citizens, the collection of taxes on interest and dividend income, the tax treatment of entertainment and travel expenses, the taxation of cooperatives, mutual thrift

and mutual fire and casualty insurance companies, and the taxation of proceeds from the sale of depreciable property.

H.R. 10650 taxes those who have escaped taxation in the past, but, in no case is it punitive in intent or effect. Throughout the long process of shaping this bill both the Congress and the Treasury have met with responsibility and with understanding the needs of American business.

The main provision of the bill—the investment credit—will, I am convinced, in years to come, be viewed as the most important single measure to strengthen and revitalize the American economy enacted by the 87th Congress. It will provide American producers with the stimulus they need both to modernize to meet foreign competition and to accelerate expansion of our domestic economy. In addition, the foreign income provisions are designed to prevent any possible interference with productive American business operations overseas, and one particular section is specifically designed to assure that no additional burden is placed on firms primarily engaged in the sale of American-made products.

The sections of the bill covering taxation of income earned abroad are not aimed at capturing every possible dollar of tax revenue. They are aimed at ending tax abuses which harm this country by discouraging the return flow to our shores of dollars earned overseas. For balance-of-payments reasons, it is vitally important that we remove these tax barriers against the repatriation of money earned abroad by American citizens and American businesses.

Two other provisions deserve mention: The reporting requirement on dividend and interest income may not be as effective as withholding, but it represents a significant step forward in an area in which tax evasion has long been widespread.

The provision covering travel and entertainment expenses, as voted by the Senate, puts us in a good position to work out in the conference committee an effective means of curbing disgraceful abuses without interfering with genuine business travel or entertainment.

Finally, the bill is one which reflects a high degree of fiscal responsibility. While some initial revenue loss is possible, the fact remains that over the long run, enactment of H.R. 10650 will contribute immeasurably to the growth of the American economy. This will mean larger tax collections, without higher tax rates in the years to come. Now there are estimates that the full year revenue loss under the bill as amended would be as low as \$240 million. The highest estimate—the one made by the staff of our Joint Committee on Internal Revenue Taxation—reaches \$585 million. My own estimate is that the loss even in the beginning would be much less than either.

The distinguished Senator from Virginia (Mr. Byrd), in offering his reporting amendment to the bill, stated that in his judgment it would be as effective in collecting taxes as the withholding amendment would have been. I say that